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Tirkas Development (1954-9) Department.

Ms. SERIES.

G.O. No. 968

Dated 22-10-49.

[Despatch Abstract.]

HARIJAN WELFARE - Recommendation of the Harijan welfare committee
Measures to relieve indebtedness - Papers Recorded.

Note

DEVELOPMENT (P.V).

Subject: HARIJAN WELFARE - Measures to relieve indebtedness.

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Extract from pages 24-25 of the Report of the Harijan Welfare Committee.

9. INDEBTEDNESS.

The indebtedness of this community is proverbial. There is scarcely a Harijan in the rural areas (especially of the labouring class) who is not heavily in debt. He is able to command credit because of his capacity to labour and his honesty. Money-lenders have not hesitated to exploit his honestly and ignorance to keep him down. The interest charged is exorbitant, ranging from 36 to 200 per cent. Besides the professional money-lender, the petty shop-keeper, the master whom he serves and all others have adopted the same tactics to their advantage. What else can be the reason for the fact that while all other classes of agriculturists have reduced their debts by 12 to 40 per cent during the boom period of War, it is only the landless labourer that has increased his debts by 45 per cent? The total debts of the agricultural landless labourers of the Province (including the caste Hindus) in 1945 have been estimated at Rs. 5¼ crores. Compared to the total, debts of Rs. 217¾ crores of the agriculturists as a whole ~~of it is~~ in our Province, this is not very large. But the fact that the whole of it is unsecured should not be forgotten. Therefore the question of relief or scaling down cannot apply to such cases. A debt when once it is incurred is always kept at the highest level for two reasons, namely, that the limit of borrowing is always very small and the interest which is never paid goes on accumulating to keep it at that level. This is a very important matter as it concerns not only the Harijans but other similar persons also. Our report will not be complete if we do not make mention at least of this main fact which is, as it were, the fundamental pivot on which the economic condition of the Harijan rests. His caste inferiority and ignorance make the problem more acute for him. There can be no redemption for him unless his debt is wiped out and he is prevented from incurring it in future. Any economic structure that is not based on this fundamental principle will collapse like a house of cards. It therefore behoves the Government to tackle this problem as early as possible. As observed already, the debt is increasing every year. The increase in wage has not helped him and unless some drastic steps by way of legislation are undertaken, there can be no improvement.

Some members of the Committee felt that the oppression of the caste Hindus was mainly responsible for the miserable economic condition of the Harijans. No doubt this kind of oppression was in existence, but it is not now as rigorous as before. The main reasons for the indebtedness of this community are some of their customs and habits which make it impossible for them to balance their budgets. As has been pointed out on more than one occasion, they have no employment for practically half the year and it is but natural that their income during these periods is at the lowest. They have then to depend upon their masters for an advance towards their future salary. If they have already borrowed from their masters, they have to resort to the money-lender. The expenditure incurred in celebrating marriages and funerals is absolutely out of proportion to the income of the family. The borrow at 24 to 36 per cent and sometimes

even at 100 per cent to spend on drink, gambling and other unnecessary items. All these put together bleed the Harijan white and before the next agricultural season begins, he is absolutely immersed in debt and his earnings may not be sufficient even to meet the interest charges. How can he ever think of a good meal or decent clothes with the creditor at his door? He repays something only to borrow a still larger sum if he could. It is therefore very necessary to educate the Harijan on the evils of the drink habit and the need to curtail unnecessary expenditure. Propaganda should be carried on to promote habits of thrift through hundi boxes, compulsory saving schemes, etc. Now that the Government propose to enforce total prohibition in all the districts in another year, this opprotunity should be utilized to educate the Harijan on the right lines so that his standard of living might appreciably improve.

9. STANDARD OF LIVING

One of the questions that were issued was about the standard of living of this community. There can be no doubt that it is at the lowest level. Our object in framing this question was to invite suggestions regarding the betterment of their standard. But we have not received so far any definite suggestions. The standard of living varies not only with men but also with the places and the environments in which they live. Good education, increased earnings, cultural enlightenment and the cultivation of a proper sense of values would, in our opinion., raise their standard of living.

The extracts above may be perused.

The Harijan Welfare Committee observes that there can be no hope of redemption for the Harijan unless (1) the heavy burden of debt under which he has been labouring is wiped out by some drastic steps like legislation; and (2) he is prevented from running into debt again by well directed propaganda.

As regards (1), the position is as follows:

Money-lending transactions other then pledges are goverened by the provisions in the following two statutes:

(1) The Madras Debtors' Protection Act, 1934 and

(2)The Usurious loans Act, 1938.

The Debtors' Protection Act applies to all loans less than Rs. 500 and fixed the maximum rates of interest on such loans at 9% per annum in the case of secured loans and 15% in the case of unsecured loans. Persons who borrow more than Rs.500 are protected by the Usurious Loans Act which empowers law courts to cut down interest considered to be excessive. The Madras Pawn Brokers Act, 1943 deals with loans on pledges and fixed the rate of interest at 93/8% in respect of loans below Rs. 25 and 6¼% on loans above that sum.

The Madras Agriculturists' Relief Act, 1938 does not apply to landless labourers. The question of undertaking legislation to relieve the indebtedness of agricultural labourers was raised again and proposals for legislation were examined in detail in consultation with the Legal Deparmtne. The Hon. Premier has, however, ordered that the proposals may wait till the Central Agrarian Committee meets and come to a decision.

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In the circumstances stated above no separate action on the Committee's recommendation in this behalf seems called for.

As regards the second recommendation, according to the Committee, the real cause of the heavy indebtedness of the Harijan community is to be found in some of their extravagant habits and customs and the proper remedy for this will be to do effective propaganda to wean the Harijans from their uneconomic ways of living and educate them on the need to balance their domestic budgets and thus raise their standard of life. The Committee's re-commendationseems generally acceptable. But it may be stated that educative propaganda of the kind referred to is more appropriately the field of activity of the social reformer rather than a Government Department. The Government however have recently ordered that the Special Development Officers appointed for amelioration work in the Prohibition districts should in addition do propaganda relating to Harijan welfare. Revenue may perhaps consider the desirability of issuing specific instructions to the special development officers to do propaganda on the lines suggested by the Committee.

Revenue may see before circulation.

(Sd) . . . . . .

18.6.48.

To A.S.

The file has been sent to this department with reference to A above,. The Harijan welfare committee has stated in its report that it is very necessary to educate the Harijan in the evils of the drink habit and the need to curtail unnecessary expenditure and that propaganda should be carried on to promote habits of thrift through hundi boxes, compulsory savings schemes etc. Special Development Officers have been appointed only in Prohibition dts. and there does not seem to be any necessity to educate the Harijans on the evils of the drink habit in Prohibition dts. Though there is a proposal to reorganise the ameliorative staff by abolishing the posts of special Development Officers etc. there seems to be no objection to issue instructions to them to conduct propaganda in the other items referred to by the Harijan Welfare Committee so long as the posts are in existence. Necessary extracts will be taken for the purpose. This may be returned to Dev.

x x x

23.6

D.S.

The Harijan will come within the general propaganda that is proposed to eradicate the drink evil. No special propoganda drive for the benefit of Harijans alone is necessary.

x x x

24-6-48.

DEVT.(P.V) DEPTT.

The Harijan Welfare Committee has drawn attention to the chronic indebtedness of the Harijan community and has observed that the only way of rehabilitating the Harijan is (1) to wipe out by some drastic means like legislation his overwhelming burden of debit and (2) to prevent his running into debt in future by well-directed propaganda.

The question of undertaking legislation to relieve the indebtedness of agricultural labourers (the vast majority of

p.t.o.

whom are Harijans) has been considered more than once. When the proposal was examined recently, Hon'ble Premier ordered that it might wait till the Central Agrarian Committee met, and arrived at a decision. In the circumstances, no separate action on this point seems nedessary in this file.

As regards the second point, the root cause of the heavy indebtedness of the Harijans, according to the Committee, can be ascribed to some of their uneconomic ways of living and the proper remedy e for this is to do effective propaganda amongst them, calculated to educate them on the need to balance their budgets and improve their standard of living. This Department proposed generally to accept the recommendation of the Committee, but felt that propoganda of the kind intended by the Committee was the work of the social reformer rather than a Government Deparment. It was however, suggested that the SpecialDevelopment Officers in the Prohibition districts should be charged with the additional responsibility of propoganda relating to Harijan Welfare. Revenue Department have stated that the Harijan will benefit by the general propoganda on the drink evil as much as others and that therefore no special propeganda is necessary for this community in this respect. As regards the other items of Harijan Welfare, the Revenue Department are taking action separately to instruct the Spcial Development Officers (so long as these posts posts exist) to conduct propaganda as recommedned by the Committee. In these circumstances no further action seems necessary on this point.

The case may be circulated to Hon'ble Minister (Rural Development), and Hon'ble Minister (Revenue).

(Sd) x x x x x x

6.7.48.

Hon'ble Minister (Rural Development) x x x x x x x

Hon'ble Minister (Revenue) x x x x x x x x

The papers may be recorded.

(Sd) x x x x x x x
15.10.49.

References: Secretary's remarks in the margin on the previous page.

These papers should have been recorded. Them and there. But hey have been pending for the final decision of the cabinet, on the main recommendati (sd) . . 19.10.

From the Report of the Provincial Harijan Welfare Committee, 17 major recommendation have been culled out with a view of obtain the decision of the Cabinet thereon and they have been dealt with separately and orders of the Cabinet taken. The other minor suggestions or recommendations of the Committee have been examined individually in several respand orders in circulation have been taken. In the case on hand the orders in circulation have been taken. ~~In the~~ by the Development Department (when the subject was dealt with by that Department) that no further action was necessary on the Recommendation of the Provincial Harijan Welfare Committee extracted in the file. All such files relating to the minor suggestions of the Provincial Harijan Welfare Committee on which a decision has either been taken in circulation, or, are kept pending until a decision has been taken by the Cabinet on the recommendations of the Committee, are now

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being attended to with a view to their final disposal. It is considered desirable that papers in this file and those in the linked file should be recorded for future reference and so the disposal has now been suggested by the section.

(Sd) M.S. Jagannayakulu
Secretary to Government.

19.10.1949.

G.O. Ms. No. 968 Dated 22-10-1949

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